

UTILITIES DIVISION[199]

Adopted and Filed

Pursuant to Iowa Code sections 17A.4, 476.86, and 476.87, the Utilities Board (Board) gives notice that on March 24, 2015, the Board issued an order in Docket No. RMU-2014-0004, In re: Disconnection of Public Water Utility Service for Failure to Pay Sewer, Wastewater, or Storm Drainage Bill [199 IAC Chapter 21], “Order Adopting Amendments,” in which the Board adopts amendments to the Board’s water service rules to implement the statutory provisions in Iowa Code section 476.20(1)“b” that allow a public water utility to enter into an agreement with a city utility, city enterprise, combined city utility, or combined city enterprise to disconnect water service if an overdue debt is owed for wastewater service or services of sewer systems, storm water drainage systems, or sewage treatment.

The Board followed the procedures in Executive Order 80 prior to publication of the proposed amendments in the Iowa Administrative Bulletin. In accordance with Executive Order 80, the Board appointed a Stakeholder Group to provide recommendations on amendments to implement the statutory provisions. The members of the Stakeholder Group were: Julie Smith, Iowa Association of Municipal Utilities; Jeffrey K. Rosencrants, Iowa-American Water Company (Ken Jones replaced Rosencrants as the Iowa-American member); John Long, Consumer Advocate Division of the Department of Justice; Jim Odean, City of Davenport, Iowa; Jessica Kinser, City of Clinton, Iowa; Kristine Stone, City of Bettendorf, Iowa; and Don Tormey, Iowa Utilities Board.

On December 9, 2014, the Stakeholder Group submitted three alternative recommendations to the Board. Based upon the Stakeholder Group recommendations, the Board issued an order on January 15, 2015, proposing amendments to its water service rules and approving a Notice of Intended Action to be submitted for publication in the Iowa Administrative Bulletin. The Notice of Intended Action on the proposed amendments was published in the Iowa Administrative Bulletin at IAB Vol. XXXVII, No. 16, (2/4/15), p. 1417, as **ARC 1848C**.

Comments were received supporting the proposed amendments from the Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice. No other comments were received.

On March 12, 2015, the Board conducted an oral presentation to provide for additional public comment about the proposed amendments. OCA and Iowa-American Water Company (Iowa-American) appeared at the oral presentation. OCA had no additional comments. Iowa-American stated its support for recovery of any lost revenue that might occur from disconnection of water service based upon agreements with the cities in a general rate proceeding.

The order approving this Adopted and Filed rule making can be found on the Board’s Electronic Filing System (EFS) Web site, <http://efs.iowa.gov>, in Docket No. RMU-2014-0004. The Board has adopted some nonsubstantive revisions to the language added to subrule 21.4(7).

After analysis and review of this rule making, the Board tentatively concludes that the adopted amendments will have a beneficial effect on the ability of cities served by public water utilities regulated by the Board to recover debts owed for wastewater service or services of sewer systems, storm water drainage systems, or sewage treatment.

These amendments are intended to implement Iowa Code sections 17A.4 and 476.20(1)“b.”

These amendments will become effective May 20, 2015.

The following amendments are adopted.

ITEM 1. Amend subrule 21.4(7) as follows:

21.4(7) *Refusal or disconnection of service.* Service may be refused or discontinued only for the reasons listed in paragraphs “a” through “f” below. Unless otherwise stated, the customer shall be permitted at least 12 days, excluding Sundays and legal holidays, following mailing of notice of disconnect in which to take necessary action before service is discontinued. When a person is refused service, the utility shall notify the person promptly of the reason for the refusal to serve and of the person’s right to file a complaint about the utility’s decision with the board.

a. Without notice in the event of an emergency.

b. Without notice in the event of tampering with the equipment furnished and owned by the utility or obtaining water by fraudulent means.

c. For violation of or noncompliance with the utility's rules on file with the board.

d. For failure of the customer to permit the utility reasonable access to its equipment.

e. For nonpayment of bill provided that the utility has: (1) made a reasonable attempt to effect collection; and (2) given the customer written notice that the customer has at least 12 days, excluding Sundays and legal holidays, in which to make settlement of the account. In the event there is dispute concerning a bill for water service, the utility may require the customer to pay a sum of money equal to the amount of the undisputed portion of the bill pending settlement and thereby avoid discontinuance of service for nonpayment of the disputed bill for up to 45 days after the rendering of the bill. The 45 days shall be extended by up to 60 days if requested of the utility by the board in the event the customer files a written complaint with the board.

~~f. When a prospective customer is refused service, the utility shall notify the prospective customer promptly of the reason for the refusal to serve and of the applicant's right to appeal the utility's decision to the board.~~

f. For failure to pay a debt owed to a city utility, city enterprise, combined city utility, or combined city enterprise for wastewater service or services of sewer systems, storm water drainage systems, or sewage treatment. Disconnection of water service pursuant to this paragraph shall only be allowed if the governing body of a city utility, city enterprise, combined city utility, or combined city enterprise has entered into a written agreement with the public water utility that includes provisions:

(1) Requiring that a notice of disconnection of water service for failure to pay a debt owed to the city utility, city enterprise, combined city utility, or combined city enterprise for wastewater service or services of sewer systems, storm water drainage systems, or sewage treatment be made by the public water utility and allow the customer 12 days, excluding Sundays and legal holidays, after the mailing of the notice to take necessary action to satisfy the debt.

(2) Providing for prompt notice from the city utility, city enterprise, combined city utility, or combined city enterprise to the public water utility that the debt for wastewater service or services of sewer systems, storm water drainage systems, or sewage treatment has been satisfied and providing that, once notified of the payment of the debt, the public water utility shall reconnect water service to the customer as provided for in the public water utility's tariff.

(3) Requiring the city utility, city enterprise, combined city utility, or combined city enterprise, prior to contacting the public water utility for disconnection of water service to a customer, to have completed the disconnection notification procedures established in the tariffs or ordinances of the city utility, city enterprise, combined city utility, or combined city enterprise.

(4) Providing that the customer may be charged a fee for disconnection and reconnection of water service by the public water utility for failure of the customer to pay a debt owed to the city utility, city enterprise, combined city utility, or combined city enterprise for wastewater service or services of sewer systems, storm water drainage systems, or sewage treatment, that the fee be no greater than the rates or charges established for reconnection and disconnection of water service in the water utility's tariffs approved by the utilities board, and that recovery of lost revenue by the public water utility as a result of disconnection of water service pursuant to this paragraph is not authorized under these rules.

ITEM 2. Amend paragraph **21.4(9)“c”** as follows:

c. Failure to pay for a different type or class of public utility service. Disconnection of water service pursuant to the provisions of paragraph 21.4(7) “f” is not considered a different type or class of public utility service for purposes of subrule 21.4(9).

[Filed 3/24/15, effective 5/20/15]

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 4/15/15.